The Decline of American Unionism in Comparative Perspective

Richard Edwards

American unionism is suffering an historic decline in membership, organization, and political and social influence. While the size of the decline can be seen in membership statistics, the fullness — and importance — of the decline is only evident if the wider social and political dimensions are also understood. The impact of this change on American society, including its economic and political systems, is likely to be profound.

The union decline has led many observers to ask whether de-unionization is a broader phenomenon in modern industrial societies. Is what is happening in the United States a harbinger of what is to come in other industrial countries with important labor movements? If so, what are the underlying causes of this de-unionization? If not, what accounts for the peculiar, anomalous American experience?

These questions have recently been addressed in a study entitled Unions in Crisis and Beyond: Perspectives from Six Countries (Edwards, Garonna, and Tödtling, 1986). The study considers the labor movements of the United States, United Kingdom, Italy, France, Austria, and Sweden. While obviously limited in scope (the omission of Japan and West Germany from the study are particularly serious), the results of this research do provide a beginning for answering the questions posed above. This paper reviews some of those findings.

1. The American Union Decline

The on-going historic decline of American unions is most evident in the declining proportion of workers represented by unions. Although membership has been in more or less continuous decline since 1953 (see Figure 1), the last few years have seen a sharp acceleration of this decline. From Table 1 we see that the percentage of all employed wage and salary workers who were union members fell from 23.0% in 1980 to 19.1% in 1984. This decline of nearly four percentage points represented a loss of about 17% of the union-sector share. This is the most rapid decline that has been experienced in the last fifty years.
More startling yet is the incidence of the decline. From Table 1 we can see that there was no change between 1980 and 1984 in the public-sector ("Government") union density. The entire decline was concentrated in the private sector, where the unionization percentage declined from 20.1% to 15.6%, a decline of nearly a quarter. Particularly big union losses were registered in mining, construction, durable goods manufacture, and transportation, communications, and public utilities. Another study (Edwards and Swaim, 1986) considered the period from 1979 to 1984 and measured the decline in the proportion of private-sector production workers who were covered by union contracts (whether they themselves were unions members or not); this study therefore measures the effective reach of unions among the most likely potential union population.

Table 1
Proportions of Union Members, by Industry, 1980 and 1984*

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percent of employed wage and salary workers who were union members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>May 1980</td>
</tr>
<tr>
<td>All industries(1)</td>
<td>23.0</td>
</tr>
<tr>
<td>Private sector(2)</td>
<td>20.1</td>
</tr>
<tr>
<td>Goods-producing(1)</td>
<td>30.5</td>
</tr>
<tr>
<td>Mining</td>
<td>32.0</td>
</tr>
<tr>
<td>Construction</td>
<td>30.9</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>32.3</td>
</tr>
<tr>
<td>Durable goods</td>
<td>34.8</td>
</tr>
<tr>
<td>Nondurable goods</td>
<td>28.5</td>
</tr>
<tr>
<td>Service-producing</td>
<td>13.5</td>
</tr>
<tr>
<td>Transportation, communications, and public utilities</td>
<td>48.4</td>
</tr>
<tr>
<td>Wholesale and retail trade</td>
<td>10.1</td>
</tr>
<tr>
<td>Finance, insurance, and real estate</td>
<td>3.2</td>
</tr>
<tr>
<td>Service</td>
<td>8.9</td>
</tr>
<tr>
<td>Government</td>
<td>35.9</td>
</tr>
</tbody>
</table>

Note: 1) Includes agriculture, forestry and fisheries not shown separately.
2) Change not statistically significant.
* 1980 figure is for May; 1984 figure is average for the year ended in September, 1984.
Edwards and Swaim found that union density so defined dropped from 27.8% in 1979 to 19.0% in 1984.

The membership statistics reveal a striking erosion of the union sector, and other evidence tends to reinforce the conclusion of a drastic decline in American unionism. One dimension is the declining organizational effectiveness of unions. Charles Craypo (1981) has documented the substantial decline in union bargaining power (see also Borum and Conley, 1986). William Dickens and Jonathan Leonard (1985) provide compelling evidence of diminishing effectiveness in organizing activity, in winning union elections, and in opposing decertifications. The rise of two-tier wage systems, the destruction (e.g., of PATCO) or elimination (e.g., at Continental Airlines) of well-entrenched unions, and the political ineffectiveness of unions in mobilizing their memberships in the 1984 presidential elections all point to the unions' declining organizational effectiveness. Politically, the unions have become increasingly isolated; this is transparently the case with the Reagan administration, but it is also true (and perhaps more significant) with the Democratic Party—traditionally the protector of labor and dependent upon unions for their political muscle, the Democratic Party is being reshaped by the growing "neo-liberal" faction that is cool towards unions (and that in some cases explicitly disavows union support). All of these developments are signs of the economic, political, and ideological erosion of the American union movement.

2. De-Unionization - A General Phenomenon?

This historic decline in American unions and in American unionism has led to a set of questions about the broader phenomenon of unionization in modern economies. In particular, it is asked, is de-unionization a general phenomenon?

Some have argued that it is. Business Week, for instance, in an article called "Europe's Unions Are Losing Their Grip" argued that the same trends that are evident in the American economy may be seen in European economies as well. The New York Times, in a widely-noted series of articles, made much the same point: the first article in the series was called "Sharp Dip in Power and Influence Hampers Unions in Europe." Still other observers have talked about unions now being "obsolete" in the face of such forces as modern technology, a new generation of workers, and perhaps a post-mass-consumption society.1) This thesis, then, argues that unions are everywhere in decline because of the deeper structural transformations of society.

Unions in Crisis and Beyond seeks to address the question of whether de-unionization is a general phenomenon. The answer is clearly negative. The union decline that has occurred in the United States may have seen its parallel in one or two other countries

1) One theme in these discussions, for example, is that unions were a specific response to a set of circumstances that existed just before and after the Second World War; as circumstances have changed, unions have lost their relevance (and hence their appeal) to new generations of workers. For example, in the mass-consumption society of the 1920s through the 1960s, consumer demand was largely met by identical products turned out by large factories having long production runs and employing masses of workers in virtually identical working situations—ideal breeding grounds for unions. In a post-mass-consumption society, however, consumers want more individuated products; and technological changes and changing worker preferences have also created the conditions for smaller, more decentralized and differentiated workplaces—all to the detriment of unions.
but does not appear to be part of a general turning away from unionism. Without doubt, the five European labor movements studied are undergoing transition. Some old relationships are dying and some old constituencies are being lost, to be sure. Yet these losses are typically offset by new areas of growth. The result is that the union movements, like the economies in which they operate, have been changed by the long period of economic crisis and restructuring; however, they are not experiencing de-unionization.

The British labor movement, for example, is undergoing substantial change resulting from both the British miners’ strike and the new industrial relations legislation introduced by the Thatcher government (Rubery, 1986). These and other factors, including the great decline in British manufacturing, are causing substantial change and transformation in the unions, but that change does not equate to “decline.” British unionism is apparently discovering new sources of growth in the white-collar service sectors, among female workers, and in regions different from the traditional industrial areas. Aggregate membership and density have held up quite well, especially among employed workers. So what we apparently are seeing happen is a metamorphosis of British unionism towards service and white-collar workers, towards a more female union movement, and towards a union movement more structured by law as a result of the new legislation, but it is likely to be neither weaker nor less visible.

The same point could be made for Italy, Sweden, and Austria (see Garonna and Pisani, 1986; Svensson, 1986; and Duda and Tödtling, 1986). In these cases, the older patterns of union influence and union participation in social decision-making are undergoing some changes. Moreover, the internal structure of unions, particularly in Italy and Sweden, is in a process of transformation. Nonetheless, the result of these transformative processes will be unions which do not appear, a priori, to be weaker than their predecessors.

In France, a development more like a middling case may be perceived (Sellier and Silvestre, 1986). The two largest confederations (C. G. T. and C. F. D. T.) have suffered substantial membership losses, and there appears to be some decline in the overall strength of unionism, although not at the pace or magnitude of the U. S. decline. Here again we see losses in traditional unionism (in the C. G. T. and C. F. D. T.) offset by growth elsewhere (in organizations like the F. O. and smaller autonomous unions); these changes appear to indicate that a substantial shift in the center of gravity of French unionism may be underway. The French case is difficult to interpret, however, because the success of French unions is tied so closely to the changing relative influences of the major political parties; in this sense, membership statistics and similar data are generally considered to be highly misleading indicators.

Hence, of the five European cases studied, four appear to contradict the thesis of a general de-unionization phenomenon and the fifth case is ambiguous. If we reject this thesis, then we must ask; Why is the American experience so different? Why are American unions undergoing decline when it appears that those in other countries (at least those studied) are not? These are not easy questions to answer. Many scholars and others who observe unions, especially those sympathetic to the union cause, are engaged in a research effort to understand why unions are failing to thrive (see for example, Kochan, 1985).
3. Why Have American Unions Declined?

The first issue to resolve is that of what type of explanation we are seeking. Many different levels of explanation are possible, and we must choose among them. For example, at a very immediate level we can say that unions since 1950 have suffered a sharp decline in the organizing rate and in the success rates in unionization elections. Had the organizing rate and the unionization election success rate remained constant, there would have been no decline in union density (Dickens and Leonard, 1985). At a much different and more profound level, one can say that there has always been a powerful tension between the collective and egalitarian principles of unionism and the individualistic and social mobility-oriented values prevalent in American culture. While particular circumstances (e.g., heavy immigration, economic depression) may override the individualistic ethic, the contemporary decline of unions may be ascribed to the reassertion of the dominant cultural values (Lipset, 1986, especially Chapter 12). Both of the above explanations contain much truth, I believe (though the second requires some reformulation), yet they are true at very different levels of understanding. In Unions in Crisis and Beyond, we resolve this issue by looking at the political and economic developments of the past decade or 15 years to discover what in these developments accounts for the U.S. decline.

At this level of understanding we can provide the following explanation. The present decline of American unions grows out of the structural weakness of these unions in the postwar period, and in particular follows from the collapse of the stable economic conditions and political support which sustained their postwar position. As conditions changed, neither their internal structure nor their overall level of strength provided an adequate basis for American unions to regroup and adjust. In cross-national perspective, what is singular about the American case is perhaps not so much the causes of the initial decline but rather the inability of the unions to respond effectively to them.

Let us look at this argument in more detail. The long-term weakness of the American union movement is well documented, even the weakness of the movement that emerged from those years (1934-45) of its greatest victories (see Dulles and Dubofsky, 1984, Chapter XIX; also Barkin, 1961). The immediate postwar years, however, represented a period of right-wing reaction and successful curtailment of union rights and union power. This period was marked, of course, by the passage of the anti-union Taft-Hartley Amendment, by prosecution of militant union leaders under the anti-Red legislation, and by the incorporation of many union leaders into the domestic Cold War coalition. The labor movement that entered the 1950s, then, was one that had been purged of many of its most militant and expansionist elements, that had been battered and internally divided by the ideological struggle, and that had been sharply restricted in its activities by federal legislation.

The modus vivendi—what elsewhere (Gordon, Edwards, and Reich, 1982) has been termed the “labor accord”—that emerged from these circumstances was an implicit class compromise. As a compromise, it had both pluses and minuses for labor, but the minuses turned out to be longer-term than the pluses. It provided for the recognition of unions where they already existed (industrially and spatially) and it offered a legally-derived framework for collective bargaining; thus the organizational gains achieved in
the 1930s and '40s were preserved. But unions were deprived of many of their most effective organizing weapons, and the expansion of unionism to new industries and especially to new regions (most importantly, the South) was made extremely difficult.

Thus the future of American unionism was tied to the health and viability of the existing union sector—roughly that set of traditional blue-collar industries (manufacturing, transportation, construction) located in the Northeast and Midwest. (And indeed, with the exception of the public sector, unionism has expanded little beyond these boundaries since.) Union success also depended upon getting and keeping management at the bargaining table—that is, on the unions' ability to create and sustain conditions such that management wanted to deal with unions or the state was willing to force management to do so.

This edifice served the existing union movement reasonably well during the period 1950–1975. True, the union movement failed to grow, even declined on some measures. Conditions within the union sector nonetheless appeared to be favorable: unions won substantial increases in wages and working conditions, and the business community by-and-large accepted unionism as a legitimate concomitant to modern industrial governance. And the results achieved in organizing in the public sector seemed to suggest that considerable potential lay in more vigorous organizing efforts in the service sector (and even in the industrializing South).

What operating under the labor accord did not equip unions with, however, was significant adaptability to change. Under the labor accord, the unions' orientation—including the daily life of union organizations, the kind of leaders promoted and staff hired, even the ideological vision offered—was adjusted to functioning within a fixed structure. Union victories now flowed from manipulating well the federally-supervised collective bargaining mechanism and lobbying effectively with political leaders. Their ability to organize new groups of workers, to generate public support on behalf of union struggles, even to mobilize unionized workers on behalf of other unionized workers, atrophied. In short, union resources became increasingly devoted to achieving results within the terms of the accord.

While the structural conditions of the labor accord established the central parameters of the unions' opportunities in the crisis, the unions' internal arrangements shaped their responses as well. The inability of the American movement to devise an effective response derived significantly from the fact that it tends to be highly decentralized (especially compared to the European labor movements studies). Individual unions decide for themselves what strategies they want to use, what wage and other bargaining goals they will pursue and what settlements they will accept. No central or national union federation, such as those in Austria or Sweden for example, nor a small group of confederations, such as those in Italy or France, make strategic bargaining decisions for constituent unions. For most of the postwar period, from 1950 to 1975 or so, American unions, through implicit policy coordination (called “pattern bargaining”), achieved many of the

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2) Centralized union federations, if they are to be perceived as legitimate and representative, seem to require some combination of substantial internal democracy, exceptionally successful leaders, and/or extreme congruence of the members' goals. The European labor movements cited above, though successful in accommodating to changing economic circumstances, were not necessarily successful in achieving the elements necessary for legitimacy and representativeness.
same results that centralized systems achieved. But during periods of rapid economic change, as we see below, this structural feature contributed to the unions' difficulties.

Beginning in the mid-1970s, the reasonably stable economic circumstances in which unions had operated (and upon which they had come to depend) fundamentally changed (Bowles, Gordon, and Weisskopf, 1983; Bluestone and Harrison, 1982). The long period of industrial decline and restructuring, oil shocks, slow growth, and international redistribution of economic activity began. The unions were neither externally situated nor internally organized to adapt to this change. For reasons elucidated above, the unions were unprepared and unable to break out to new parts of the economy—to launch successful new unionizing drives in regions like the South and Southwest or in the growth industries. And because of the decentralized system of internal decision-making, neither could they effectively readjust their strategies within the union sector. The result: a union system that had been forced by its own weakness to rely on a stable "labor accord" framework now foundered when the economic circumstances were radically altered.

These arguments cannot be spelled out in detail here; however, several points are worth noting. First, the changing economic circumstances that faced the unions derived from a variety of sources and in fact mark the period from 1975 to the present as one of a fundamental economic transformation—what has been termed a "long-swing" movement (see Gordon, Edwards, and Reich, 1982). Those aspects that most immediately impinged upon the union sector were de-regulation, increased competition in international product markets, technological change, regional redistribution, the productivity slowdown, and declining profits (Edwards and Podgursky, 1986). What was occurring was not simply the slow calcification of a union movement in a dynamic market environment, but rather the demise of a specific set of structural and institutional arrangements in the face of a sweeping change in the "social structure of accumulation."

The way in which these changes affected union relations may be seen with reference to deregulation. Deregulation began at the end of the 1960s, and throughout the 1970s it had substantial force in a variety of industries where unions were strong: in the airlines, trucking, inter-city busing, communications, railroads, and elsewhere. Everywhere its effect was to transform product markets from stable markets yielding monopoly rents which could be (and typically were) shared with unionized workers into unstable, price-competitive markets in which production flexibility became crucial to maintaining competitiveness and in which union regulations and union wages were perceived to be highly burdensome to the employers. In consequence, unionized employers increasingly turned to non-union subsidiaries, and non-union competitors placed extreme pressure on the unionized employers in these industries.

The rising penetration of imported goods into domestic markets had much the same effect. In many of the most strongly unionized industries (e.g., steel, autos, tires, electrical products), foreign competition became a substantial source of domestic supply, transforming what had been stable domestic oligopoly markets into highly internationally-competitive markets. The rising international competition was of course a general factor experienced by the labor movements of many countries, and indeed in many countries.

3) These arguments are presented in more detail in Edwards and Podgursky (1986).
this development has put extreme pressure on unions in the affected sectors. Nonetheless, as is noted below, a particular impact was felt by American unions because of their inability to respond. Deregulation, rising international competition, and the other forces comprising the great wave of economic instability and restructuring thus placed unions in a rapidly changing (and deteriorating) economic environment.

Second, the decentralized character of the American union movement had a very specific effect in this drama. Because there was no central federation to re-orient unions' strategies and enforce a common program upon constituent unions, the union movement had no mechanism or real opportunity to coordinate policies so as to achieve an optimal general strategy in the changing circumstances. Individual unions were free to devise their own policies, with the unfortunate result that the union sector was left to accommodate to changing economic circumstances through a competitive process reproducing the worst features of market competition. Strong unions had no option for use of their power other than to maximize their own members' compensation for the ravages of the crisis; in some cases, through COLA-driven wage increases and other measures, they merely speeded up the restructuring (and de-unionization) of their industries. Weak unions, by contrast, could expect little help from the broader movement and got just that.

This was evident when the oil price increases, combined with rising international competition, made it clear that for the union movement as a whole (but not for each of its parts), wage accommodation would be necessary to retain jobs. European unions — centralized, much more powerful in toto than U. S. unions, and representing far larger percentages of workers — were considerably more adept at accommodating to the necessary changes than were U. S. unions. Perhaps it was the case that all American unions would have been willing to accommodate to the changing circumstances had there been a centralized structure to enforce such accommodations on all workers in return for similar concessions from employers or the state. This is essentially what happened in Austria and Sweden, for example. But the decentralized structure of American unions did not permit this.

Figure 2
The Productivity Surplus for Production Workers in Manufacturing Industries with Above-Average and Below-Average Unionization, 1962-1980

Note: Three-year moving average.
Third, the above-described forces had fairly predictable consequences for unions. The gap between labor costs in unionized and non-unionized American shops increased dramatically, as we see in Figure 2, which charts the "productivity surplus" (i.e., the percentage by which productivity growth exceeds real wage growth). Up until 1969, the productivity surplus in the two sectors moved closely together, continuing a longer-term trend. But beginning in 1970, and gaining greater force after 1975, there emerged a large gap between the high-union and non-union sectors—that is, the incentive for employers to "go non-union" was greatly increased over this period. Productivity growth in the high-union sector averaged 1.83 percent between 1970 and 1980, whereas low-union industries maintained a 3.22 annual percentage growth rate. Large differences also emerged in the real wage movements: wages in the high-union sector grew by 0.5 percent annually, whereas wages in the low-union sector declined by 0.46 percent annually. With union/non-union differentials growing so large, the employers' move away from unions is understandable.

Fourth, given these adverse economic trends, the political factor began to assume great importance. As noted above, the basic labor law provides both a framework and extensive state supervision of how unions are certified as bargaining agents and of collective bargaining; the law, however, is largely remedial rather than punitive in intent, and assumes that the bargaining parties share a commitment to the bargaining process. In the circumstances outlined above, American management was increasingly attracted by the vision of "union-free" operations, and so reality increasing diverged from the law's underlying presumption. With the election of the Reagan government, there was growing state hostility to unions, particularly at the federal level. An early and ominous sign was the crushing of the PATCO strike in 1981. A series of administrative (especially NLRB) labor law decisions has made the force of labor law increasingly burdensome for unions, transforming what was to have been their Magna Carta into a mechanism for frustration and delay.

Thus we may trace the American union decline to changing economic circumstances—the severe depression in highly unionized industries, the intensifying international competition in product markets, the decline in productivity growth, the impact of deregulation, and similar factors. But the labor movements of other industrialized nations have suffered from similarly deteriorating circumstances, yet have survived and in some cases even prospered under new conditions. What marked the American movement as different was its inability to respond, to be resilient, and to find new sources of strength and renewal. This deficit is a legacy of the contradictions of its prior success.

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